

**WASTE COMMISSION OF
SCOTT COUNTY**

Independent Auditor's Reports
Basic Financial Statements and
Required Supplemental Information
Schedule of Findings

June 30, 2009

WASTE COMMISSION OF SCOTT COUNTY

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SCHEDULE OF FINDINGS

WASTE COMMISSION OF SCOTT COUNTY

OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Representing</u>
Barney Barnhill	Chairperson	Davenport
Michael Freemire	Member	Bettendorf
Bill Gluba	Member	Davenport
Jeff Grindel	Member	Riverdale
Tom Sunderbruch	Vice-Chairperson	Scott County
Kathy Morris	Director	
John Copley	Operations Manager	
Keith Krambeck	Special Waste Manager	

INDEPENDENT AUDITOR'S REPORT

To the Officers and Members
Waste Commission of Scott County
Buffalo, Iowa

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Waste Commission of Scott County as of and for the year ended June 30, 2009, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Waste Commission of Scott County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards, and the standards applicable to financial audits in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards and provisions require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statements presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Waste Commission of Scott County, each major fund and the aggregate remaining fund information as of June 30, 2009, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 23, 2009, on our consideration of Waste Commission of Scott County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Waste Commission of Scott County's basic financial statements. Schedule 1 and Schedule 2 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Waste Commission of Scott County
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Management's Discussion and Analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. We did not audit the information and express no opinion thereon.

HUCKFELDT & SMITH, P.L.C.
October 23, 2009

**WASTE COMMISSION OF
SCOTT COUNTY**

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

Waste Commission of Scott County provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2009. We encourage readers to consider this information in conjunction with the Commission's financial statements, which follow.

This Discussion and Analysis is intended to serve as an introduction to the basic financial statements.

STATEMENT OF PURPOSE

The Waste Commission of Scott County was formed with the intent of providing environmentally sound and economically feasible solid waste management options for the citizens of Scott County.

The Commission operates:

- Scott Area Landfill
- Scott Area Recycling Center
- Scott Area Household Hazardous Material Processing Center
- Electronic Demanufacturing Facility

All of these Facilities are supported by fees charged the users for materials brought to the Facilities and by sales of recyclable materials.

The goals of the Commission include:

- to operate a cost-effective solid waste facility;
- to operate cost-effective recycling facilities;
- to operate an environmentally sound solid waste facility;
- to comply with federal and state solid waste management regulations for operating a solid waste management facility including compliance with the waste management hierarchy
 - source reduction
 - volume reduction
 - recycling
 - energy recovery
 - state-of-the-art landfilling
- to educate users of the Commission's facilities about proper solid waste management

Additional information can be obtained at our website www.wastecom.com.

WASTE COMMISSION OF SCOTT COUNTY
Management's Discussion and Analysis
June 30, 2009

FINANCIAL HIGHLIGHTS

- The Commission's operating revenues decreased 1%, or \$66,203 from fiscal 2008 to fiscal 2009. Increased landfill user fees were more than offset by a reduction in recyclable material sales. Prices for recycled materials fell dramatically during the fiscal year ended June 30, 2009. The Commission's landfill gate revenue increased by 7%, or \$295,239. Its market revenues from the Material Recycling Facility have decreased by 26%, or \$373,902, and the fees from the Household Hazardous Material Program have decreased by 16%, or \$17,040. Fees from the Electronic Demanufacturing Facility have increased by 19% or \$29,500.
- The Commission's operating expenses were 14%, or \$721,761, less in fiscal 2009 than in fiscal 2008.
- The Commission's net assets increased 16%, or \$1,594,776 from June 30, 2008 to June 30, 2009.

USING THIS ANNUAL REPORT

The Waste Commission of Scott County is an Enterprise Fund and presents its financial statements using the economic resources measurement focus and accrual basis of accounting, which is the same measurement focus and basis of accounting employed by private sector business enterprises. The annual report consists of a series of financial statements and other information, as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Commission's financial activities

The Statement of Net Assets presents information on the Commission's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Assets is the basic statement of activities for proprietary funds. This statement presents information on the Commission's operating revenues and expenses, non-operating revenues and expenses and whether the Commission's financial position has improved or deteriorated as a result of the year's activities.

The Statement of Cash Flows presents the change in the Commission's cash and cash equivalents during the year. This information can assist the user of the report in determining how the Commission financed its activities and how it met its cash requirements.

The Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

WASTE COMMISSION OF SCOTT COUNTY
Management's Discussion and Analysis
June 30, 2009

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission are proprietary funds.

FINANCIAL ANALYSIS OF THE COMMISSION

As noted earlier, net assets may serve over time as a useful indicator of the Commission's financial position. The Commission's net assets for fiscal 2009 totaled \$11,441,289. This compares to \$9,846,513 for fiscal 2008. A summary of the Commission's net assets is presented below.

Net Assets		
	June 30	
	2009	2008
Current Assets	\$ 1,451,441	\$ 2,542,584
Restricted Investments	3,062,346	3,431,647
Non Current Prepaid Expenses	2,037,045	2,414,782
Capital Assets at cost, less accumulated depreciation	11,409,098	8,612,950
Total Assets	<u>17,959,930</u>	<u>17,001,963</u>
Current Liabilities	1,255,533	1,196,766
Noncurrent Liabilities	5,263,108	5,958,684
Total Liabilities	<u>6,518,641</u>	<u>7,155,450</u>
Net Assets:		
Invested in capital assets, net of related debt	8,036,239	5,139,117
Restricted	3,511,673	3,454,331
Unrestricted	(106,623)	1,253,065
Total Net Assets	<u>\$ 11,441,289</u>	<u>\$ 9,846,513</u>

A portion of the Commission's net assets (31%) is restricted for closure and post-closure care, tonnage fees due to the State of Iowa, and for security for the bond issue. State and federal laws and regulations require the Commission to place a final cover on the landfill sites and perform certain maintenance and monitoring functions at the landfill sites for a minimum of thirty years after closure. The net assets invested in capital assets e.g., land, buildings and equipment, less the related debt portion of net assets are resources allocated to capital assets, is 70% of net assets. The remaining net assets (-1%) are the unrestricted net assets that can be used to meet the Commission's obligations as they come due.

WASTE COMMISSION OF SCOTT COUNTY
Management's Discussion and Analysis
June 30, 2009

Operating revenues are received for gate fees from accepting solid waste, fees charged for the acceptance of recycling materials at the recycling center, sales of sorted recycled materials to material processors, and fee collections from the disposal of household hazardous waste. The utilization of capital assets is reflected in the financial statements as depreciation, which allocates the cost of an asset over its expected useful life. A summary of revenues and significant expenses for the years ended June 30, 2009 and 2008 is presented below:

Changes in Net Assets

	Year Ended June 30,	
	2009	2008
Operating Revenue:		
Landfill Gate Fees	\$ 4,730,686	\$ 4,435,447
Recycling Fees	1,073,869	1,447,771
Household Hazardous Waste Fees	89,009	106,049
E-Waste Facility Collection Fees	183,903	154,403
Total Operating Revenue	<u>6,077,467</u>	<u>6,143,670</u>
Operating Expenses:		
Salaries	1,422,152	1,441,880
Employee Benefits & Payroll Taxes	455,628	481,837
Site Costs	292,818	490,494
Engineering and Professional Fees	66,009	93,892
General Insurance	145,128	167,186
Closure and Postclosure Care Costs	40,313	348,309
Iowa Department of Natural Resources Tonnage Fees	223,056	296,686
Depreciation	833,878	768,008
Public Information and Education	213,198	198,983
Other	802,306	928,972
Total Operating Expenses	<u>4,494,486</u>	<u>5,216,247</u>
Income	<u>1,582,981</u>	<u>927,423</u>
Non-operating Revenues (Expenses):		
Interest Income	136,685	230,568
Interest Expense	(142,275)	(196,591)
Other	17,385	28,268
Net Non-operating Revenue (Expense)	<u>11,795</u>	<u>62,245</u>
Change in Net Assets	<u>\$ 1,594,776</u>	<u>\$ 989,668</u>

WASTE COMMISSION OF SCOTT COUNTY
Management's Discussion and Analysis
June 30, 2009

The Statement of Revenues, Expenses, and Changes in Net Assets reflects a positive year with an increase in the net assets at the end of the fiscal year.

The Statement of Cash Flows presents information related to cash inflows and outflows, summarized by operating, capital and related financing and investing activities. Cash provided by operating activities includes gate fees reduced by payments to employees and to suppliers. Cash used from capital and related financing activities includes lease payments and the purchase of capital assets. Cash used by investing activities includes purchase of certificates of deposits and interest income.

CAPITAL ASSETS

At June 30, 2009, the Commission had \$18,771,757 invested in capital assets, with accumulated depreciation of \$7,362,659. Depreciation charges totaled \$833,878 for fiscal 2009. More detailed information about the Commission's capital assets is presented in Note 11 to the financial statements.

LONG TERM DEBT

At June 30, 2009, the Commission had \$3,015,483 in debt outstanding, a decrease of \$684,745 from 2008. The table below summarizes outstanding debt by type:

	June 30,	
	2009	2008
Loans Payable - See Note 12	\$ 165,483	\$ 395,228
Bonds Payable - See Note 8	2,850,000	3,305,000
Total	<u>\$ 3,015,483</u>	<u>\$ 3,700,228</u>

OTHER NON-CURRENT LIABILITY

As described in Note 7 to the financial statements, the Commission has estimated the total landfill closure and post-closure care costs of closing the landfill. These costs are recognized over the operating life of the landfill. The recognition of these annual costs increases the liability. The liability is decreased by any current expenditures, such as costs to close operating cells at the landfill, for closure costs. The balance of this liability decreased by \$159,558 during fiscal 2009.

	2009	June 30 2008
Estimated Liability for Landfill Closure and Post-Closure Care	<u>\$ 2,783,643</u>	<u>\$ 2,943,201</u>

WASTE COMMISSION OF SCOTT COUNTY
Management's Discussion and Analysis
June 30, 2009

ECONOMIC FACTORS

The Waste Commission of Scott County continued to improve its financial position during the current fiscal year. However, the current condition of the economy in the state continues to be a concern for Commission officials. Some of the realities that may potentially become challenges for the Commission to meet are:

- ❑ Facilities require constant maintenance and upkeep.
- ❑ Technology continues to expand and current technology becomes outdated presenting an ongoing challenge to maintain up to date technology at a reasonable cost.
- ❑ Annual deposits required to be made to closure and post-closure accounts are based on constantly changing cost estimates and the number of tons of solid waste received at the facility.
- ❑ New rules requiring additional ground water monitoring.

The Commission anticipates the current fiscal year will be much like the last and will maintain a close watch over resources to maintain the Commission's ability to react to unknown issues.

CONTACTING THE COMMISSION'S MANAGEMENT

This financial report is designed to provide our constituents with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional information, contact:

Waste Commission of Scott County
PO Box 563
Buffalo, Iowa 52728

Or by E-Mail
mail@wastecom.com

**WASTE COMMISSION
OF SCOTT COUNTY
BASIC FINANCIAL STATEMENTS**

WASTE COMMISSION OF SCOTT COUNTY

Statement of Net Assets

June 30, 2009

ASSETS	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Funds	Total
CURRENT ASSETS:									
Cash	\$ 56,385	45,000	369,301	0	0	0	250	19,861	\$ 490,797
Accounts Receivable (Net of Allowance for Bad Debts of \$15,000)	724,432	0	0	0	63,068	5,929	46,867	0	840,296
Interest Receivable	31,356	0	0	0	0	0	0	0	31,356
Grants Receivable	0	0	0	0	16,650	0	0	0	16,650
Prepaid Insurance	72,342	0	0	0	0	0	0	0	72,342
	884,515	45,000	369,301	0	79,718	5,929	47,117	19,861	1,451,441
PROPERTY AND EQUIPMENT - NON CURRENT:									
Capital Assets	10,435,270	874,857	0	0	4,744,900	403,576	2,301,404	0	18,760,007
Less: Accumulated Depreciation	(4,543,350)	0	0	0	(2,013,355)	(151,891)	(654,063)	0	(7,362,659)
	5,891,920	874,857	0	0	2,731,545	251,685	1,647,341	0	11,397,348
OTHER ASSETS - NON CURRENT:									
Prepaid Expenses to be Recovered in One Year or More	2,034,656	0	0	0	2,389	0	0	0	2,037,045
Website Development Costs	11,750	0	0	0	0	0	0	0	11,750
Certificates of Deposit Reserved for the Retirement of Debt	0	0	0	0	0	0	0	615,000	615,000
Certificates of Deposit Reserved for Closure and Post-Closure Care	0	0	438,847	2,008,499	0	0	0	0	2,447,346
	2,046,406	0	438,847	2,008,499	2,389	0	0	615,000	5,111,141
	\$ 8,822,841	\$ 919,857	\$ 808,148	\$ 2,008,499	\$ 2,813,652	\$ 257,614	\$ 1,694,458	\$ 634,861	\$ 17,959,930
LIABILITIES									
CURRENT LIABILITIES:									
Accounts Payable	\$ 31,428	357,376	0	0	0	0	0	0	\$ 388,804
Accrued Expenses	221,557	0	0	0	27,589	18,344	18,532	0	286,022
Accrued Solid Waste Fee	44,689	0	0	0	0	0	0	0	44,689
Current Portion of Loan Payable	13,300	0	0	0	0	0	52,718	0	66,018
Current Portion of Bonds Due	317,374	0	0	0	152,626	0	0	0	470,000
	628,348	357,376	0	0	180,215	18,344	71,250	0	1,255,533
NON-CURRENT LIABILITY:									
Estimated Liability for Landfill Closure and Post-Closure Care Costs	2,783,643	0	0	0	0	0	0	0	2,783,643
LONG-TERM DEBT - NON CURRENT:									
Loan Payable Net of Current Portion Above	0	0	0	0	0	0	99,465	0	99,465
Bonds Payable Net of Current Portion Above	1,607,126	0	0	0	772,874	0	0	0	2,380,000
	5,019,117	357,376	0	0	953,089	18,344	170,715	0	6,518,641
TOTAL LIABILITIES									
NET ASSETS:									
Invested in Capital Assets - Net of Related Debt	3,965,870	517,481	0	0	1,806,045	251,685	1,495,158	0	8,036,239
Restricted for the Retirement of Debt	0	0	0	0	0	0	0	615,000	615,000
Restricted for Closure and Post-Closure Care	80,026	0	808,148	2,008,499	0	0	0	0	2,896,673
Unrestricted	(242,172)	45,000	0	0	54,518	(12,415)	28,585	19,861	(106,623)
	\$ 3,803,724	\$ 562,481	\$ 808,148	\$ 2,008,499	\$ 1,860,563	\$ 239,270	\$ 1,523,743	\$ 634,861	\$ 11,441,289
TOTAL NET ASSETS									

See Notes to Financial Statements.

WASTE COMMISSION OF SCOTT COUNTY
Statement of Revenue, Expenses and Changes in Net Assets
For the Year Ended June 30, 2009

	Landfill Fund	Cell Construction Fund	Closure Fund	Post-Closure Fund	Recycling Fund	Hazardous Waste Fund	E-Waste Fund	Non-Major Funds	Total
OPERATING REVENUES - NET OF ALLOWANCES:									
User Fees	\$ 4,730,686	0	0	0	171,093	89,009	183,903	0	\$ 5,174,691
Recycling Income	44,001	0	0	0	628,009	63,996	166,770	0	902,776
Total Revenues	4,774,687	0	0	0	799,102	153,005	350,673	0	6,077,467
COST OF OPERATIONS:									
Wages and Salaries	394,381	0	0	0	348,625	89,614	137,945	0	970,565
Payroll Taxes	36,733	0	0	0	13,162	5,496	10,278	0	65,669
Employee's Insurance	70,264	0	0	0	50,652	14,092	17,769	0	152,777
IPERS	24,724	0	0	0	10,900	4,492	6,023	0	46,139
Deferred Compensation Contribution	7,225	0	0	0	3,433	1,415	1,897	0	13,970
General Insurance	145,128	0	0	0	0	0	0	0	145,128
Fuel, Oil and Antifreeze	134,705	0	0	0	8,591	0	0	0	143,296
Equipment Maintenance	76,222	0	0	0	19,679	0	884	0	96,785
Grounds Maintenance	14,183	0	0	0	20,407	0	1,257	0	35,847
Building Maintenance	13,029	0	0	0	13,997	545	6,670	0	34,241
Shop Supplies	4,519	0	0	0	27,420	7,149	5,092	0	44,180
Small Tools	910	0	0	0	463	958	580	0	2,911
Engineering	29,225	0	0	0	8,200	0	0	0	37,425
Health and Safety	4,022	0	0	0	0	0	0	0	4,022
Land Rent	133,642	0	0	0	0	0	0	0	133,642
Depreciation	469,253	0	0	0	179,357	12,157	173,111	0	833,878
Miscellaneous Site Costs	292,818	0	0	0	0	0	0	0	292,818
Recycling Expenses	0	0	0	0	0	23,941	46,610	0	70,551
Solid Waste Fee	223,056	0	0	0	0	0	0	0	223,056
Total Cost of Operations	2,074,039	0	0	0	704,886	159,859	408,116	0	3,346,900
GROSS PROFIT	\$ 2,700,648	\$ 0	\$ 0	\$ 0	\$ 94,216	\$ (6,854)	\$ (57,443)	\$ 0	\$ 2,730,567

See Notes to Financial Statements.

WASTE COMMISSION OF SCOTT COUNTY
Statement of Revenue, Expenses and Changes in Net Assets
For the Year Ended June 30, 2009

	Landfill Fund	Cell Construction Fund	Closure Fund	Post-Closure Fund	Recycling Fund	Hazardous Waste Fund	E-Waste Fund	Non-Major Funds	Total
GROSS PROFIT	\$ 2,700,648	\$ 0	\$ 0	\$ 0	\$ 94,216	\$ (6,854)	\$ (57,443)	\$ 0	\$ 2,730,567
ADMINISTRATIVE EXPENSES:									
Director Salary	77,446	0	0	0	10,326	10,760	5,163	0	103,695
Administrative Salaries	274,102	0	0	0	38,196	0	35,594	0	347,892
Payroll Taxes	26,310	0	0	0	3,671	783	3,065	0	33,829
IPERS	21,839	0	0	0	3,048	650	2,544	0	28,081
Deferred Compensation Contribution	6,879	0	0	0	960	205	801	0	8,845
Employees' Insurance	76,912	0	0	0	7,545	1,472	15,055	0	100,984
Tuition Reimbursement	5,334	0	0	0	0	0	0	0	5,334
Utilities	76,036	0	0	0	32,670	0	11,254	0	119,960
Professional Services	28,584	0	0	0	0	0	0	0	28,584
Office Supplies	22,830	0	0	0	2,366	0	1,477	0	26,673
Office Equipment Maintenance	21,675	0	0	0	581	0	0	0	22,256
Public Information and Education	213,198	0	0	0	0	0	0	0	213,198
Bad Debts (Recoveries)	2,226	0	0	0	0	595	0	0	2,821
Travel and Training	35,099	0	0	0	0	0	0	0	35,099
Miscellaneous	150	0	0	0	0	0	0	0	150
Total Administrative Expenses	888,620	0	0	0	99,363	14,465	74,953	29,872	30,022
OPERATING INCOME (LOSS)	1,812,028	0	0	0	(5,147)	(21,319)	(132,396)	(29,872)	1,623,294
NON OPERATING REVENUE (EXPENSES):									
Interest Income	136,646	0	0	0	0	0	0	39	136,685
Interest Expense	(95,126)	0	0	0	(37,070)	0	(10,079)	0	(142,275)
Host Community Benefit	(74,769)	0	0	0	0	0	0	0	(74,769)
Closure Rent	(40,313)	0	0	0	0	0	0	0	(40,313)
State Reimbursements	0	0	0	0	0	55,691	0	0	55,691
Other Income	0	0	0	0	16,650	0	0	19,813	36,463
Net Other Income (Expenses)	(73,562)	0	0	0	(20,420)	55,691	(10,079)	19,852	(28,518)
NET INCOME (LOSS)	1,738,466	0	0	0	(25,567)	34,372	(142,475)	(10,020)	1,594,776
NET TRANSFERS IN (OUT)	3,231,808	(627,962)	(1,241,059)	(1,542,584)	305,523	(31,168)	43,051	(137,609)	0
NET ADJUSTMENTS TO NET ASSETS	4,970,274	(627,962)	(1,241,059)	(1,542,584)	279,956	3,204	(99,424)	(147,629)	1,594,776
NET ASSETS - Beginning	1,617,093	1,190,443	808,148	2,008,499	1,580,607	236,066	1,623,167	782,490	9,846,513
NET ASSETS - Ending	\$ 6,587,367	\$ 562,481	\$ (432,911)	\$ 465,915	\$ 1,860,563	\$ 239,270	\$ 1,523,743	\$ 634,861	\$ 11,441,289

See Notes to Financial Statements.

WASTE COMMISSION OF SCOTT COUNTY

Statement of Cash Flows

For the Year Ended June 30, 2009

EXHIBIT C

Cell

	Landfill Fund	Construction Fund	Closure Fund	Post-Closure Fund	Recycling Fund	Hazardous Waste Fund	E-Waste Fund	Non-Major Funds	Total
\$	4,689,755	0	0	0	838,588	155,124	339,178	19,813	\$ 6,042,458
	(1,631,006)	0	0	0	(138,685)	(50,737)	(73,825)	(29,872)	(1,924,125)
	(1,022,265)	0	0	0	(487,681)	(128,910)	(232,271)	0	(1,871,127)
	0	0	0	0	0	55,691	0	0	55,691
	2,036,484	0	0	0	212,222	31,168	33,082	(10,059)	2,302,897
	3,231,808	(627,962)	(1,241,059)	(1,542,584)	305,523	(31,168)	43,051	(137,609)	0
Interest Paid	(90,476)	0	0	0	(37,468)	0	(10,078)	0	(138,022)
Increase (Decrease) in Accrual for Closure Costs	(2,943,201)	0	1,241,059	1,542,584	0	0	0	0	(159,558)
Acquisition of Capital Assets-Net of Disposals	(2,152,516)	(513,585)	0	0	(319,486)	0	(16,135)	0	(3,001,722)
Principal Payments on Long Term Debt	(155,533)	0	0	0	(24,291)	0	(49,920)	0	(229,744)
Principal Payments on Bonds	(318,500)	0	0	0	(136,500)	0	0	0	(455,000)
	(5,660,226)	(513,585)	1,241,059	1,542,584	(517,745)	0	(76,133)	0	(3,984,046)
	157,847	0	0	0	0	0	0	39	157,886
	42,720	0	369,301	0	0	0	0	147,609	559,630
	200,567	0	369,301	0	0	0	0	147,648	717,516
	(191,367)	(1,141,547)	369,301	0	0	0	0	(20)	(963,633)
	247,752	1,186,547	0	0	0	0	250	19,881	1,454,430
	56,385	45,000	369,301	0	0	0	250	19,861	490,797

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (CONSUMED) BY OPERATING ACTIVITIES

Operating Income (Loss)	\$ 1,812,028	\$ 0	\$ 0	\$ 0	\$ 0	\$ (5,147)	\$ (21,319)	\$ (132,396)	\$ (29,872)	\$ 1,623,294
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:										
Depreciation	469,253	0	0	0	179,357	12,157	173,111	0	833,878	
Host Community Payment	(74,769)	0	0	0	0	0	0	0	(74,769)	
State Reimbursements	0	0	0	0	0	55,691	0	0	55,691	
Miscellaneous Income (Expense)	(40,314)	0	0	0	0	0	0	19,813	(20,501)	
Change in Cash due to Changes in Current Assets and Current Liabilities:										
(Increase) Decrease in Accounts Receivable	(82,706)	0	0	0	39,485	2,714	(11,496)	0	(52,003)	
(Increase) Decrease in Prepaid Expenses	88,271	0	0	0	0	0	0	0	88,271	
Increase (Decrease) in Accounts Payable	(88,328)	0	0	0	(4,311)	(18,146)	0	0	(110,785)	
Increase (Decrease) in Accrued Expenses	(46,951)	0	0	0	2,838	71	3,863	0	(40,179)	
	2,036,484	\$ 0	\$ 0	\$ 0	\$ 212,222	\$ 31,168	\$ 33,082	\$ (10,059)	\$ 2,302,897	

NET CASH PROVIDED (CONSUMED) BY OPERATIONS

See Notes to Financial Statements.

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of Accounting:

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The Commission accounts for its financial position and results of operations in accordance with generally accepted accounting principles established by the Government Accounting Standards Board. The Commission's funds are accounted for on the accrual basis of accounting. Revenues are recognized when they are earned and become measurable and expenses are recognized or recorded when they are incurred, if measurable.

The accounts of the Commission are organized as an enterprise fund. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

b. Reporting Entity:

The Waste Commission of Scott County provides waste disposal for all communities and rural areas of Scott County. The Commission was formed as the Scott County Sanitary Landfill Commission in 1971 under a 28-E agreement, which was amended and renamed in 1990 and 2000. The Commission consists of the Chairman of the Scott County Board of Supervisors, the Mayor of Davenport, the Mayor of Bettendorf, one Alderman from the City of Davenport, and one or two mayors from smaller communities selected by a caucus of representatives of these communities.

All significant activities and organizations on which the Commission exercises oversight responsibility have been included in the Commission's general purpose financial statements, for the year ended June 30, 2009. The Commission has also considered all

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

b. Reporting Entity (Continued):

potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Commission are such that exclusion would cause the Commission's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Commission to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Commission. The Waste Commission of Scott County has one component unit, which meets the Governmental Accounting Standards Board criteria.

The Commission is designed to manage the waste disposal stream of Scott County, Iowa. These management activities include, but are not limited to the operation of a local landfill, operation of recycling facilities, operation of household hazardous waste facility, planning, and educating the County's residents in waste management.

The Commission receives no City or County subsidy, but operates strictly from gate fee and recycling revenues.

Keep Scott County Beautiful, the Commission's only component unit, was established to educate the citizens of Scott County about proper waste management and to promote recycling in the area. The entity's activities, for the fiscal year is included in the non-major funds.

c. Measurement Focus:

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Commission distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Commission's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

In reporting the financial activity of its enterprise fund, the Commission applied all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

d. Fund Financial Statements:

Separate financial statements are provided for major individual funds. These are reported as separate columns in the fund financial statements. All remaining funds are aggregated and reported as Non-Major Funds.

The Commission reports the following major funds:

1. The Landfill Fund is the general operating fund of the Landfill. All Landfill revenues and operating expenses are run through this fund. All of the general operating expenses, fixed costs and capital improvements related to the Landfill and not paid from other funds are included in this operating fund.
2. The Cell Construction Fund is used to account for all expenditures related to the construction of individual cells throughout the life of the landfill.
3. The Closure Fund is used to segregate investments restricted for the eventual closure of the Landfill and to record the estimate of the liability for closure care as of the fiscal year end.
4. The Post-Closure Fund is used to segregate investments restricted for use in monitoring the Landfill after it is closed and to record the estimate of the liability for post-closure care as of the fiscal year end.
5. The Recycling Fund is the general operating fund of the Material Recycling Facility. All of the revenues and expenses of the Recycling Facility are accounted for in this fund. All of the general operating expenses, fixed costs, and capital improvements related to the Material Recycling Facility and not paid from other funds are included in this fund.
6. The Hazardous Waste Fund is the general operating fund of the Household Hazardous Waste Facility. All of the revenues and expenses of the Household Hazardous Waste Facility are accounted for in this fund. All of the general operating expenses, fixed costs, and capital improvements related to the Household Hazardous Waste Facility are accounted for in this fund. All of the general operating expenses, fixed costs, and capital improvements related to the Household Hazardous Waste Facility and not paid from other funds are included in this fund.
7. The E-Waste Fund is the general operating fund of the Electronic Demanufacturing Facility. All of the revenues and expenses of the Electronic Demanufacturing Facility are accounted for in this fund. All general operating expenses, fixed costs, and capital improvements related to the Electronic Demanufacturing Facility and not paid from other funds are included in this fund.
8. All other funds of the Commission and the Component Unit are included with the Non-Major Funds.

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

e. Investments:

Investments are recorded at cost, which is the same as market. They consist of Certificates of Deposit.

f. Property and Equipment:

Property and equipment are stated at historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Land Improvements	10-25 Years
Buildings	15-40 Years
Furniture and Fixtures	5-6 Years
Equipment	5-15 Years

Depreciation of all exhaustible fixed assets is charged as an expense against operations.

The cost of assets sold, retired, or otherwise disposed of and the related allowance for depreciation are eliminated from the accounts, and any resulting gain or loss is included in operations.

Expenditures for maintenance and repairs are charged against operations. Renewals and betterments that materially extend the life of an asset are capitalized.

g. Accounts Receivable:

Waste Commission of Scott County uses the percent of sales method for recording bad debts. The bad debts allowance at June 30, 2009 and 2008 was \$15,000.

h. Income Taxes:

The Commission is a division of local government; therefore, it is exempt from all income taxes.

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

i. Statement of Cash Flows:

For purposes of reporting cash flows all Certificate of Deposits are considered to be investments. None of them are treated as cash equivalents regardless of maturity date.

The net increase in cash is derived from the change in Cash on Hand and Cash in Bank.

The total cash disbursed for interest in years ended June 30, 2009 and 2008 respectively was \$138,022 and \$196,762

j. Budgets and Budgetary Accounting:

The Commission annually adopts a budget for all funds. The annual budget may be amended during the year by obtaining approval from the Commission as a whole.

k. Restricted Assets:

Funds set aside for payment of certain obligations are reserved. Funds currently reserved are to pay closure and post closure costs, for solid waste purposes as outlined in note 5, and as security for the bond issue as required by the agreement.

l. Compensated Absences:

Commission employees accumulate earned but unused vacation hours for subsequent use or for payment upon termination, death or retirement. The Commission changed the policy for accumulated vacation hours as of July 1, 2007. Employees will not be allowed to carry over more than 400 hours of vacation from one year to the next. Employees who have accumulated more than 400 hours of vacation as of July 1, 2007 have until June 30, 2012 to come into compliance with the new policy.

Commission employees also accumulate a limited amount of earned but unused sick hours for subsequent use or for payment upon retirement or death. The amount of accumulated sick hours that will be paid to any employee upon retirement or death is based on a formula and is limited to a maximum of 480 hours.

The Commission's liability for accumulated vacation and sick pay has been computed based on rates of pay in effect at June 30, 2009.

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

NOTE 2 - CASH AND INVESTMENTS:

Cash and investments are stated at cost.

The Commission's deposits in banks at June 30, 2009 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against depositories to insure there will be no loss of public funds.

The Commission's deposits in credit unions at June 30, 2009 are collateralized with securities and an irrevocable letter of credit held in the Commission's name in accordance with Chapter 12C of the Code of Iowa.

The Commission is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Commission; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-ended management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

The Commission had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.

NOTE 3 - SITE COSTS:

Site costs represent the cost of preparing the landfill for use, and include all applicable costs in moving the dirt. The estimate of value is based upon available landfill space at its excavation cost and upon management observations and computations. As the landfill is filled and the available cubic yards decrease, these costs will be charged against operations.

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

NOTE 4 - LAND RENTAL:

The Commission conducts its operations from facilities located on a 585 acre site that is leased from Linwood Mining and Minerals Corp. The lease covers active landfilling and monitors closure of the landfill premises. It is expected that active landfilling will continue for 41 years, and closure monitoring will be done for the current Federal mandate of 30 years. Rent shall be paid annually in arrears, in one installment due 30 days following the anniversary date of when the Commission began actively filling the site.

Rent is calculated at \$1.10 per ton of solid waste deposited in the new landfill. On the second anniversary date of this agreement and on each anniversary date thereafter, the rate per ton collected shall increase by the same percentage that tipping fees, exclusive of any solid waste fees, charged to customers of the Commission increase.

Rent during closure will be \$30,000 per year, increased by a percentage based on the increase in rates during operations.

The Commission has also entered into a Landfill Closure lease for their old site with an annual rent of \$30,000, adjusted annually to the Consumer Price Index. This Closure lease has the option of extension if required by the Department of Natural Resources. The Commission is currently managing the facility under the closure lease.

Estimated Future Rent Expense

FYE 6/30/10	\$176,000
FYE 6/30/11	\$176,000
FYE 6/30/12	\$176,000
FYE 6/30/13	\$176,000
FYE 6/30/14	\$176,000

NOTE 5 - SOLID WASTE FEE:

The Commission pays a fee to the State of Iowa quarterly based on solid waste deposited at the landfill. The solid waste fee is \$3.65 per ton. The Commission retains \$1.55 of this fee and the balance is remitted to the Department of Natural Resources on a quarterly basis. As of June 30, 2009 the account balances were:

Payable to the State	\$ 44,689
Expense for the Year	\$ 223,056

The Commission has established an account for restricting and using those portions of solid waste tonnage fees retained by the Commission in accordance with Chapter 455B.310 of the Code of Iowa.

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

NOTE 6 - PENSION AND RETIREMENT BENEFITS:

The Commission contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits, which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.10% of their annual covered salary and the Commission is required to contribute 6.35% of annual covered payroll. Contribution requirements are established by State statute. The Commission's contribution to IPERS for the years ended June 30, 2009, 2008, and 2007 were \$74,220, \$72,956 and \$66,484, respectively, equal to the required contributions for each year.

The Commission has also established a Section 457 deferred compensation plan for employees. The Commission contributes 1% of full-time employees' gross pay and matches an additional 1%. The amounts in the plan are immediately vested. The Commission's contribution to the deferred compensation plan for the years ended June 30, 2009 and 2008 was \$22,812 and \$31,762, respectively.

NOTE 7 - CLOSURE AND POST-CLOSURE CARE COSTS:

To comply with Federal and State regulations, the Commission is required to complete a monitoring system plan and a closure/post-closure plan and to provide funding necessary to effect closure and post-closure, including the proper monitoring and care of the landfill after closure. Environmental Protection Agency (EPA) requirements have established closure and thirty-year post-closure care requirements for all municipal solid waste landfills that receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions that exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide that when a landfill stops accepting waste, it must be covered to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas, and collecting and treating leachate (the liquid that drains out of waste) for thirty years.

Governmental Accounting Standards Board Statement No. 18, requires landfill owners to estimate total landfill closure and post-closure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that period. Estimated total costs would consist of four components: (1) the cost of equipment and facilities used in post-closure monitoring and care; (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the post-closure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually for changes due to inflation or deflation, technology, or applicable laws or regulations.

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

Note 7 - CLOSURE AND POST-CLOSURE CARE COSTS- (CONTINUED):

These costs for the Commission have been estimated at \$322,588 for closure costs for the Scott County Landfill and \$1,601,824 and \$1,452,420 for closure and postclosure care, respectively, for Cells 1-6 at the Scott Area Landfill as of June 30, 2009, and the portion of the liability that has been recognized is \$2,783,643. This liability represents the cumulative amount reported to date based on the use of approximately 82 percent of the capacity of the Scott County Landfill and Cells 1-6 at the Scott Area Landfill. Actual costs may be higher due to future inflation, changes in technology, or changes in regulations. A provision for the above liability has been made on the Commission's balance sheet as of June 30, 2009.

Chapter 455B.306(9)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and post-closure care accounts to accumulate resources for the payment of closure and post-closure care costs. The Commission has begun accumulating resources to fund these costs, and, at June 30, 2009 assets of \$2,896,673 are restricted for these purposes, of which \$1,255,397 is for closure and \$1,641,276 is for post-closure care. They are reported as restricted investments and restricted net assets on the Statement of Net Assets.

Also, pursuant to Chapter 567-111.14(8) of the Iowa Administrative Code (IAC), since the estimated closure and post-closure care costs are not fully funded, the Commission is required to demonstrate financial assurance for the unfunded costs. The Commission has adopted the dedicated fund mechanism. Under this mechanism, the Commission must certify the following to the Iowa Department of Natural Resources:

- The fund is dedicated by local government statute as a reserve fund.
- Payments into the fund are made annually over a pay-in period of ten years or the permitted life of the landfill, whichever is shorter.
- Annual deposits to the funds are determined by the following formula:

$$NP = \frac{CE - CB}{Y}$$

NP=next payment

CE=total required financial assurance

CB=current balance of the fund

Y=number years remaining in the pay-in period

Chapter 567-113.14(8) of the IAC allows the Commission to choose the dedicated fund mechanism to demonstrate financial assurance and use the accounts established to satisfy the closure and postclosure care account requirements. Accordingly, the Commission is not required to establish closure and postclosure care accounts in addition to the accounts established to comply with the dedicated fund financial assurance mechanism.

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

Note 7 - CLOSURE AND POST-CLOSURE CARE COSTS- (CONTINUED):

Chapter 567-113.14(8) of the IAC allows a government to choose the dedicated fund mechanism to demonstrate financial assurance and use the accounts established to satisfy the closure and post-closure care account requirements. Accordingly, the landfill is not required to establish closure and post-closure care accounts in addition to the accounts established to comply with the dedicated fund financial assurance mechanism.

NOTE 8 - BONDS PAYABLE:

Revenue bonds were issued by the Commission to finance the creation of a new landfill site and recycling facility. The bonds are payable solely from the income of the operation of the landfill and recycling facility.

The Commission and Scott County have entered into an agreement which provides that the County will issue its General Obligation Solid Waste Disposal Bonds to pay the cost of acquiring, constructing, and equipping works and facilities useful for the collection, treatment, and disposal of solid waste, that the Commission will make annual payments to the County in amounts sufficient to pay the debt service on the County Bonds and the Commission will issue its Solid Waste Disposal Revenue Bond in an amount not exceeding the amount of the County Bonds to evidence its obligation under the agreement.

During the fiscal year ended June 30, 2007 the County initiated a refinancing of these bonds to effect a substantial interest savings. The new bonds will be paid on the following schedule.

Annual debt service requirements to maturity for the bonds are as follows:

Interest Rate	Principal	Interest	Total
3.650	470,000	106,040	576,040
3.700	495,000	88,885	583,885
3.700	515,000	70,570	585,570
3.750	535,000	51,515	586,515
3.750	555,000	31,452	586,452
3.800	280,000	10,640	290,640
	<u>\$ 2,850,000</u>	<u>\$ 359,102</u>	<u>\$ 3,209,102</u>

NOTE 9 - RISK MANAGEMENT:

The Commission is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The Commission assumes liability for any deductibles and claims in excess of coverage limitations.

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

NOTE 10 - NON CASH ACTIVITY:

The Commission entered into a joint venture with the City of Davenport to construct and operate a composting facility for the disposal and recycling of yard wastes. Since the facility is operated on City property, owned by the City and run in conjunction with City facilities, all assets have been turned over to the City.

The Agreement with the City calls for them to continue to take yard waste from the County for deposit into the composting site. The Commission also has retained the authority to review, evaluate, and approve all rates charged to county members. But the Commission retains no effective control over the facility; consequently its operating results are not included in these statements.

NOTE 11 – CAPITAL ASSETS:

A summary of capital assets at June 30, 2009 is as follows:

	Balance Beginning of Year	Increase	Decrease	End of Year
Capital assets not being depreciated \$	793,942	\$ 0	\$ 0	\$ 793,942
Construction in Progress	0	870,961	0	870,961
Vehicles and Equipment	9,060,591	2,724,019	(117,450)	11,667,160
Buildings	5,347,716	80,228	0	5,427,944
Total capital assets	15,202,249	3,675,208	(117,450)	18,760,007
Less accumulated depreciation	(6,589,299)	(833,878)	60,518	(7,362,659)
Total capital assets, net	\$ 8,612,950	\$ 2,841,330	\$ (56,932)	\$ 11,397,348

WASTE COMMISSION OF SCOTT COUNTY

Notes to Financial Statements

June 30, 2009

NOTE 12 – NOTES PAYABLE:

Notes Payable as of June 30, 2009, consists of the following:

In Fiscal 2005 the Commission entered into contract number 05-G550-01 with the Iowa Department of Natural Resources to build an E-Waste Recycling Center. Part of this contract was a \$425,000 loan at 0% interest. The Commission makes quarterly payments of \$15,000. The Commission has imputed interest on this loan at 5.49%. Remaining payment details are:

Total Payments	Total Unpaid Interest	Net Debt to Be Repaid	Current Portion	Long Term Portion
\$ 165,000	\$ 12,817	\$ 152,183	\$ 52,718	\$ 99,465

In Fiscal 2007 the Commission entered into a lease agreement with Allpoints Capital for the purchase of equipment. The lease meets the qualifications for a capital lease and the Commission has accounted for it accordingly. The monthly payments are \$13,352.94. The Commission and Allpoints Capital have agreed on an interest rate of 4.79%. Remaining payment details are:

Total Payments	Total Unpaid Interest	Net Debt to Be Repaid	Current Portion	Long Term Portion
\$ 13,353	\$ 53	\$ 13,300	\$ 13,300	\$ 0

Future Principal Payments on these loans are:

<u>For the Year Ended</u>	
June 30, 2010	\$ 66,018
June 30, 2011	\$ 55,672
June 30, 2012	\$ 43,792
June 30, 2013	\$ 0
June 30, 2014	\$ 0

NOTE 13 – CONCENTRATION OF CREDIT RISK:

The Waste Commission of Scott County collects waste and recyclable materials. Most of these collections are done in Scott County, Iowa. Their receivables are from customers located in the Quad Cities and from home offices located outside the area.

**WASTE COMMISSION
OF SCOTT COUNTY**

SUPPLEMENTAL INFORMATION

WASTE COMMISSION OF SCOTT COUNTY

Schedule 1

Statement of Indebtedness
For the Year Ended June 30, 2009**GENERAL OBLIGATION BONDS**

Date of Issuance	Interest Rates	Amount Originally Issued	Balance Beginning of Year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid	Interest Due and Unpaid
02/17/07	3.6% to 3.8%	\$ 4,065,000	\$ 3,305,000	\$0	\$ 455,000	\$ 2,850,000	\$ 122,534	\$ 8,542

Waste Commission of Scott County
Combining Schedule of Non-Major Funds
June 30, 2009

Schedule 2

ASSETS:
CURRENT ASSETS:

Cash	2,000	9,861	0	8,000	0	19,861
Investments	0	0	0	0	0	0
Total Current Assets	2,000	9,861	0	8,000	0	19,861

OTHER ASSETS - NON-CURRENT:

Restricted Investments	0	0	615,000	0	0	615,000
<u>Total Assets</u>	2,000	9,861	615,000	8,000	0	634,861

NET ASSETS:

Restricted	0	0	615,000	0	0	615,000
Unrestricted	2,000	9,861	0	8,000	0	19,861
<u>TOTAL NET ASSETS</u>	2,000	9,861	615,000	8,000	0	634,861

COST OF OPERATIONS:

Other Expenses	0	29,872	0	0	0	29,872
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NONOPERATING REVENUE(EXPENSES):

Interest Income	0	39	0	0	0	39
Other Income	0	19,813	0	0	0	19,813
	0	19,852	0	0	0	19,852
<u>NET INCOME (LOSS)</u>	0	(10,020)	0	0	0	(10,020)

**Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards**

Independent Auditor's Report on Internal Control
Over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

To the Officers and Members of the
Waste Commission of Scott County

We have audited the accompanying financial statements of Waste Commission of Scott County as of and for the year ended June 30, 2009, and have issued our report thereon dated October 23, 2009. We conducted our audit in accordance with U.S. generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Waste Commission of Scott County's internal control over financial reporting as a basis of designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Waste Commission of Scott County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Waste Commission of Scott County's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

A control deficiency exists when the design or operation of the control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Waste Commission of Scott County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with U.S. generally accepted accounting principles such that there is more than a remote likelihood a misstatement of Waste Commission of Scott County's financial statements that is more than inconsequential will not be prevented or detected by Waste Commission of Scott County's internal control. We did not discover any deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood a material misstatement of the financial statements will not be prevented or detected by Waste Commission of Scott County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. We did not discover any deficiencies we felt were a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Waste Commission of Scott County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance of other matters required to be reported under Government Auditing Standards.

Comments involving statutory and other legal matters about the Commission's operations for the year ended June 30, 2009 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the Commission. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Waste Commission of Scott County's responses to findings identified in our audit are described in the accompanying Schedule of Findings. While we have expressed our conclusions on the Commission's responses, we did not audit Waste Commission of Scott County's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the members and customers of Waste Commission of Scott County and other parties to whom the Commission may report. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Waste Commission of Scott County during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

**WASTE COMMISSION
OF SCOTT COUNTY
SCHEDULE OF FINDINGS**

WASTE COMMISSION OF SCOTT COUNTY

Schedule of Findings
Year Ended June 30, 2009

Findings Related to the Financial Statements:

SIGNIFICANT DEFICIENCIES:

None noted.

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

Other Findings Related to Statutory Reporting:

1. Questionable Expenses – No expenses that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
2. Travel Expense – No expenditures of money for travel expenses of spouses of Commission officials or employees were noted.
3. Board Minutes – No transactions were found that we believe should have been approved in the Commission minutes but were not.
4. Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapter 12B and Chapter 12C or the Code of Iowa were noted.
5. Solid Waste Tonnage Fees Retained – During the year ended June 30, 2009, the Commission used or retained the solid waste fees in accordance with Chapter 455B.310 of the Code of Iowa.

WASTE COMMISSION OF SCOTT COUNTY

Schedule of Findings
Year Ended June 30, 2009

6. Financial Assurance - The Commission has demonstrated financial assurance for closure and post-closure care costs by establishing a local government dedicated fund as provided in Chapter 567-113.14(6) of the Iowa Administrative Code. The calculation is made as follows:

	Scott County Landfill	Cell 1,2,3	Cell 4	Cell 5	Cell 6
Total estimated costs for closure and postclosure care	\$ 322,589	\$ 1,171,560	\$ 517,006	\$ 634,064	\$ 731,613
Less: Balance of funds held in the local dedicated fund at June 30, 2008	<u>(322,589)</u> 0	<u>(1,171,560)</u> 0	<u>(517,006)</u> 0	<u>(634,064)</u> 0	<u>(171,428)</u> 560,185
Divided by the number of years in the pay-in period	0	0	1	4	7
Required payment into the local dedicated fund at June 30, 2009	0	0	0	0	80,026
Balance of funds held in the local dedicated fund at June 30, 2008	<u>322,589</u>	<u>1,171,560</u>	<u>517,006</u>	<u>634,064</u>	<u>171,428</u>
Required balance of funds to be held in the local dedicated fund at June 30, 2009	<u>322,589</u>	<u>1,171,560</u>	<u>517,006</u>	<u>634,064</u>	<u>251,454</u>
Amount Commission has restricted for closure and postclosure care at June 30, 2009	<u>\$ 322,589</u>	<u>\$ 1,171,560</u>	<u>\$ 517,006</u>	<u>\$ 634,064</u>	<u>\$ 251,454</u>